

**GOVERNMENT OF WEST BENGAL
LEGISLATIVE DEPARTMENT**

West Bengal Act III of 1976

**THE WEST BENGAL EMPLOYMENT SCHEME
LOANS (RECOVERY) ACT, 1976.**

[Passed by the West Bengal Legislature.]

*[Assent of the Governor was first published in the Calcutta
Gazette, Extraordinary, of the 23rd March, 1976.]*

[23rd March, 1976.]

An Act to provide for recovery, as public demands, of loans advanced by banks and other financial institutions to educated unemployed persons in West Bengal under schemes framed by the Government of West Bengal under its Additional Employment Programme for providing employment to such persons.

WHEREAS it is expedient to provide for recovery, as public demands, of loans advanced by banks and other financial institutions to educated unemployed persons in West Bengal under schemes framed by the Government of West Bengal under its Additional Employment Programme for providing employment to such persons;

It is hereby enacted in the Twenty-seventh Year of the Republic of India, by the Legislature of West Bengal, as follows:—

1. (1) This Act may be called the West Bengal Employment Scheme Loans (Recovery) Act, 1976. Short title
and extent.
- (2) It extends to the whole of West Bengal.

2. In this Act, unless there is anything repugnant in the subject or context,— Definitions.
 - (a) “Additional Employment Programme” means a programme of the State Government to provide self employment opportunities to educated unemployed persons in West Bengal by assisting them to develop bankable projects and by supporting the projects by advancing margin money loans;
 - (b) “bank” means and includes—
 - (i) a ‘bank’ included in the Second Schedule to the Reserve Bank of India Act, 1934,
 - (ii) the ‘State Bank of India’ constituted under the State Bank of India Act, 1955,

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(Section 2.)

- (iii) a 'subsidiary bank' as defined in the State Bank of India (Subsidiary Banks) Act, 1959, 38 of 1959.
- (iv) a 'corresponding new bank' as defined in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, 5 of 1970.
- (v) a 'co-operative bank' as defined in the Reserve Bank of India Act, 1934; 2 of 1934.
- (c) "Certificate Officer" has the same meaning as in clause (3) of section 3 of the Bengal Public Demands Recovery Act, 1913; West Ben. Act III of 1913.
- (d) "entrepreneur" means a person or a group of persons or a partnership firm or a limited company, either private or public, or a co-operative society registered under the West Bengal Co-operative Societies Act, 1973, to whom financial assistance has been given by the State Government and by a bank or a financial institution in terms of a scheme and includes the legal heirs, executors, administrators, representatives and assignees of such person or persons or partnership firm or limited company or co-operative society, as the case may be; West Ben. Act XXXVIII of 1973.
- (e) "financial institution" means—
- (i) a company or a body corporate as defined in the Companies Act, 1956, or 1 of 1956.
- (ii) a financial corporation, or
- (iii) a society registered under the West Bengal Societies Registration Act, 1961, West Ben. Act XXVI of 1961.
- which is engaged in financing activities and has been constituted by any law for the time being in force and which is either owned by, or in which the majority shares are held by, the State Government;
- (f) "margin money loan" means a loan advanced by the State Government under a scheme to an entrepreneur to meet the whole or a part of the initial investment to be made by him for obtaining the financial assistance from a bank or a financial institution for any project under the Additional Employment Programme;
- (g) "prescribed" means prescribed by rules made under this Act;

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(Sections 3-6.)

- (h) "scheme" means a scheme framed by the State Government under its Additional Employment Programme for providing employment to unemployed educated persons in West Bengal under which such persons shall arrange to secure an advance from a bank or any other financial institution representing up to ninety *per cent.* of the total amount required for any project under the said Programme;
- (i) "term loan" means a loan advanced by a bank or a financial institution to an entrepreneur against the block capital or fixed assets of the activities under a scheme.

3. Notwithstanding anything contained in any law for the time being in force or in any agreement, any amount due to a bank or a financial institution from an entrepreneur in respect of the term loan shall, apart from any other mode of recovery, be recoverable as an arrear of land revenue under the Bengal Public Demands Recovery Act, 1913.

Ben. Act III
of 1913.

Recovery of
arrears of
term loan as
a public
demand.

Explanation.—The provisions of this section shall also apply to any amount advanced by way of term loan before the date on which this Act comes into force and remaining unpaid on such day.

4. Notwithstanding anything contained in the Bengal Public Demands Recovery Act, 1913, no appeal under section 51 of the Bengal Public Demands Recovery Act, 1913, against an order made by a Certificate Officer for recovery of any term loan as a public demand shall be admitted by the appellate authority unless the appellant deposits either twenty-five *per cent.* of the dues of the certificate or the amount admitted by the appellant to be due, whichever is higher.

Act to
override the
Bengal
Public
Demands
Recovery
Act, 1913 in
certain
cases.

5. The State Government may, by notification in the *Official Gazette*, make rules for carrying out the purposes of this Act.

Power to
make rules.

6. (1) The West Bengal Employment Scheme Loans (Recovery) Ordinance, 1976, is hereby repealed.

West Ben.
Ord. VI of
1976.

Repeal and
savings.

(2) Anything done or any action taken under the West Bengal Employment Scheme Loans (Recovery) Ordinance, 1976, shall be deemed to have been validly done or taken under this Act as if this Act had commenced on the 3rd day of February, 1976.

